GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:298
ANSWERED ON:16.03.2001
FOOD DEFICIT STATES
V.M. SUDHEERAN

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government are aware of the difficulties of the food deficit Statelike Kerala due to the present Public Distribution Policy of the Union Government;

(b) whether the Government have received any representations from Kerala and other States in this regard; and

(c) if so, the details thereof and the steps taken/proposed to be taken thereon?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR)

(a),(b) & (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b) & (c) OF STARRED QUESTION NO. 298 FOR ANSWER IN THE SABHA ON 16.03.2001.

(a),(b) & (c) : Some representations in regard to the Public Distribution System (PDS) Policy have been received from KeralaFor instance, on 7.3.2000, the Minister for Food, Tourism and Law, Government of Kerala sent a letter requesting the Government of India to reconsider the proposals made in the Budget 2000-01 regarding increase in the price of ration articles. Subsequently, the Minister for Food, Tourism and Law, Government of Kerala also sent a memorandum dated 17.4.2000 in which it was, inter alia, stated that the recent decisions of the Government of India to charge economic cost for the foodgrains supplied to the people above poverty line, to increase the price of foodgrains for BPL families to 50% of the economic cost and to limit the issue of sugar to non-income tax payers had come as a big blow to the rationing system in the State. In January, 2001, the Chief Minister, Keralaalso wrote to the Prime Minister to reconsider the Union Government`s decision to do away the distribution of sugar to people above poverty line.

The State Government was informed on 14.6.2000 that it was necessary to increase the Central Issue Prices (CIP) of rice and wheat from time to time to neutralise the increase in the Minimum Support Prices of paddy and wheat, that the allocation of foodgrainsto the families above poverty line had been maintained at the economic cost with effect from 1.4.2000 keeping in view the consensus that people living above poverty line did not need help in the form of consumer subsidy, and that the fixation of the CIPs for APL familiesat 100% of the economic cost had enabled the Government to target the supplies more meaningfully to the families below poverty line. The Government of Kerala was alsoinformed that the monthly allocation of rice and wheat for Kerala (BPL + APL) had beenrestored to March 2000 level at 1,45,320 tonnes and 37,720 tonnes respectively.

It may be pointed out that consequent upon reduction in the levy obligation of domestic sugar producers to 30% with effect from 1.1.2000 and in order to achieve better targeting in supply of levy sugar under the PDS, the Government had excluded, with effect from 1.7.2000, the income tax assesses and members of their families from the purview of PDS in so far as supply of sugar was concerned. In line with this approach, consequent upon further reduction in levy obligation of domestic sugar producers to 15% with effect from 1.2.2001, the Government has restricted the supply of sugar under the PDS to BPLfamilies except in North-Eastern States/ Hill States/Island territories, where the earlier arrangement is continuing.The Government has, however, increased, with effect from 1.2.2001, the minimum per capita supply of sugar to eligible persons under the PDS from 425 grams to 500 grams per month. At present, the allocation of levy sugar for Kerala is 4103 M.Ts. per month. The Central Government has been making allocation of levy sugar to the States/Union territories for distribution through the PDS based on the norms fixed from time to time.